



# SOLICITATION AMENDMENT

## Solicitation No. HP861222 WIC Food Instrument and Coupon Processing Services

Solicitation Amendment # Two (2)

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Solicitation Due Date: March 6, 2008 at

3:00 P.M.

ARIZONA DEPARTMENT OF  
HEALTH SERVICES

1740 West Adams, Room 303  
Phoenix, AZ 85007  
(602) 542-1040  
(602) 542-1741 fax

Contact: **Richard Szawara**

A signed copy of this amendment must be submitted with your Offer.

**Amendments may be issued to this solicitation at any time. It is the responsibility of the supplier/Offeror to routinely check the ADHS website for solicitation amendments.**

Solicitation HP861222 is amended as follows:

The solicitation cover page, page 1, the "SOLICITATION DUE DATE/TIME" as reads "February 27, 2008" is amended to read "**March 6, 2008.**" The time (3:00pm) and location remain the same and are not changed.

### 1 Special Instructions to Offerors

1.1 Page 9 of 56, section 5, is amended in accordance with the following:

1.1.1 The first paragraph, preceding the last sentence, is amended to add the following:  
"Historical or projected information regarding estimates, quantities, number and types of Food Instruments or Coupons may not be a reliable prediction for the future, ADHS shall be held harmless for any assumptions made by the Offeror regarding the information provided by ADHS or that the Offeror considers in formulating its offer."

1.1.2 Subsection "c" is amended to read: "c. The estimated number of WIC food instruments per month is 350,000-500,000 for approximately \$10,000,000 per month; however, when the fresh fruits and vegetables coupon system is implemented the number of WIC food instruments per month is estimated to increase approximately 190,000."

1.1.3 Subsection "g" roles and becomes the last subsection "l" and the following subsections are added for fiscal year (FY) 2007 (October 1, 2006 – September 30, 2007):

"g. Item Processing and Image, per Food Instrument (FI), approximately 3,879,293 were processed."

"h. Return Item Fee, per FI, approximately 41,000 were processed."

"i. Endorsement Edit/Data Capture, per FI, approximately 20,400 were processed."

"j. Vendor ACH Credit, per FI, approximately 3,200 were processed."

"k. Data Edit (WIC only), per FI, approximately 3,832,701 were processed."

Vendor hereby acknowledges receipt and understanding of above amendment

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

The above referenced Solicitation Amendment is hereby executed this 15<sup>th</sup> Day of

FEBRUARY, 2008 in Phoenix, Arizona.

Name: **JAMES SCARBORO**

Title: **DEPUTY ST. PROCUREMENT ADMR.**

Name and Title:

Name of Company:

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- 1.2 Page 10 of 56, section 7.(b) is amended to read:  
“b. Be legally permissible to provide services in the State of Arizona.”
- 1.3 Page 10 of 56, section 10, “Evaluation Criteria” is amended to correct a typographical error that skipped section “10.2” in the numbering sequence. Therefore, section number 10.2 is incorporated in the number sequence so that all the sections are numbered 10.1 through 10.4; the text and relative rank order for each section number as appears in the solicitation is not changed.
- 1.4 Page 11 of 56, section 14, the first sentence is amended to read: “The offeror should submit one (1) original and eight (8) paper copies of each proposal on the forms and in the following format.”

## **2 Special Terms and Conditions**

- 2.1 Page 23 of 56, section 10, “Insurance Requirements,” subsection “3. Fidelity bond or Crime Insurance,” subsection “c,” is amended to read: “The bond or policy shall include coverage for **third party fidelity and the State of Arizona and ADHS shall be named as loss payee as our interest may appear.**”
- 2.2 Page 26 of 56, section 19, “SAS 70 REPORT”, second sentence is amended to read: “The Contractor shall provide the SAS 70 within two years after contract award and annually thereafter or more often if more than one report is generated per year.”
- 2.3 The following two terms and conditions, sections 20 and 21, are added to the end of the Special Terms and Conditions and are placed at a new page, “26a of 56”:

### **“20. INTELLECTUAL PROPERTY**

Contractor may retain and not transfer to ADHS any intellectual property created by the Contractor that is not covered by the Uniform Terms and Conditions, section 3.8, ‘Ownership of Intellectual Property.’

- 20.1 For any intellectual property retained and not transferred by the Contractor pursuant to this section, Contractor shall be deemed to have provided ADHS and its assignees with a non-exclusive license or similar permission to use such property for nine (9) years from the date the ADHS Procurement Officer executes the Acceptance of Offer. Contractor shall, upon request from ADHS and in a timely manner, take any and all steps that may be necessary to formalize such license or permission. The provisions of this section shall extend beyond Contract termination. It is the intention of the parties that this section shall be completely sufficient to provide ADHS and its assignees with such a license.”

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## **“21. TERMINATION**

When the Contract Term ends or in the event the Contract is terminated with or without cause, the Contractor, whenever determined appropriate by the ADHS, shall assist the ADHS in the transition of services to other Contractors or the State. Such assistance and coordination shall include but not be limited to, the forwarding of Contract works, electronic files and other records as may be necessary and to fulfill task assignments to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records and other materials shall be borne by the Contractor. The Contractor must make provisions for continuing all performance under this Contract, to include management/administrative services until the transition of services is complete and all other requirements of this Contract are satisfied.”

## **3 Scope of Work**

- 3.1 Page 28 of 56, section “C Food Instruments and Coupons,” is amended to only require 10 digits; therefore, in the third sentence, “up to 12 digits” is deleted.
- 3.2 Page 28 of 56, section “D Redemption,” number “2)” the second to last sentence after the colon is amended to read: “debit or credit or demand.”
- 3.3 Page 31 of 56, section “D Rejected Food Instrument or Coupons,” subsection “WIC Food Instruments:” number “1)”, is amended to read: “If Vendors provide written approval to ADHS, the Contractor shall electronically debit the Vendor’s bank account for the dollar amount difference that is over the maximum amount allowed (see above). Debits may occur as frequently as daily or as long as three days after the food instrument is initially reviewed and determined to be over the maximum. A single ACH debit may occur for each food instrument that warrants a debit or an ACH debit may include multiple food instruments, as long as each food instrument’s individual information is itemized and reported (both paper and electronically) to account for the debited amount; or”
- 3.4 Page 32 of 56, section “E. Holds/Stop Payments”, the first sentence is amended to read: “Upon written notification (may include electronic mail) to the Contractor by ADHS, the Contractor shall hold for approval or stop payment, an individual or range of food instrument numbers.”
- 3.5 Page 33 of 56, section “F. Secure File Transfer Protocol (SFTP) Site:” the “Note:” at the end of the section and its corresponding numbers 1 through 3 are deleted.
- 3.6 Page 34 of 56, section “K. WIC EBT” is deleted and the section is amended to read “Reserved” without additional text.

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**4 ATTACHMENT # 2; PRICE SHEET**

- 4.1 The "Price Sheet" is amended to add the following: "Automated Clearing House" preceding the acronym "ACH;" and "with prior written approval from ADHS" to the "Additional Fee" section; an additional price component "Data Edit" after "Endorsement Edit/Data Capture;" and, separate pricing columns for "WIC" and "Farmers Market."
- 4.2 The "Price Sheet" is amended to delete the following: the last item "EBT, if needed."
- 4.3 The "Price Sheet" is amended to combine the "SERVICE, Per Item Processing" and "Image Processing, Per Item" into one line that reads: "Per Item Processing and Image."

The amended Price Sheet is attached.

**All other provisions, instructions, terms and conditions remain unchanged.**

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<b>ATTACHMENT # 2</b>			
<b>PRICE SHEET</b>			
<b>SERVICE</b>	<b>UNIT OF MEASURE</b>	<b>Price Per Unit for WIC only</b>	<b>Price Per Unit for Farmers Market Only</b>
Account Charge	Monthly Fee per account		
Per Item Processing and Image	Per Food Instrument (FI) or Coupon		
Image Processing:			
Custom CD Rom	Per CD		
Internet Access	Monthly Fee		
Stop Payment:			
Single Item	Per FI		
Check Range	Per Request		
Returned Item Fee	Per FI		
Endorsement Edit/Data Capture	Per FI		
Data Edit	Per FI		
Copy Fee	Per FI		
Vendor Automated Clearing House (ACH) Debit	Per FI		
Vendor ACH Credit	Per FI		
State Initiated Payment	Per FI		
Overdraft Protection Cost	\$ Amount Used/Day		
Additional Fee with prior written approval from ADHS:			
Programming	Hourly Rate		
Original FI Return	Per FI/Item		
Wire Transfers	Per Wire		

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